

**Statement of  
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Department of the Interior  
House Natural Resources Committee  
Subcommittee on Public Lands and Environmental Regulations  
H.R. 696, Lyon County Economic Development and Conservation Act  
April 18, 2013**

Thank you for the opportunity to testify today on H.R. 696, the Lyon County Economic Development and Conservation Act, which presents economic and other development opportunities for the western Nevada city of Yerington. This bill would allow the city to purchase, at fair market value, about 11,500 acres of surface land and the subsurface mineral estate managed by the Bureau of Land Management (BLM) that surround a copper mine development located on approximately 1,500 acres of private land as well as a 3.5 mile transmission corridor that extends over two miles into Mineral County. The BLM has concerns with the legislation and proposes a number of modifications and amendments, including provisions that would ensure that the Federal government receives full value for the lands and associated mineral interests. In addition, Sections 3 and 4 of H.R. 696 designate an addition to the National Wilderness Preservation System – the Wovoka Wilderness Area – on National Forest System lands managed by the U.S. Forest Service. The Department of Interior defers to the U.S. Department of Agriculture on provisions that apply to lands and programs under its management.

**Background**

Yerington is a city of about 3,000 people located southeast of Carson City in Lyon County, Nevada. Historically, mining and agriculture have been significant contributors to the local economy, but today, Yerington has an unemployment rate higher than the national average. The BLM manages approximately 850,000 acres of public land in Lyon County. Not all of the land in the conveyance area has been identified for disposal in the BLM's Carson City Resource Management Plan. A revision of the plan is underway.

In February 2012, Nevada Copper Corp. broke ground on an exploratory operation at its Pumpkin Hollow mine site on private lands that are at the center of the proposed conveyance area. The city plans to annex the mine as well as the conveyance area, which will increase the tax base of both the city and Lyon County. Nevada Copper will fund the land acquisition costs for the city as well as land surveys, appraisals and cultural and natural resource evaluations required for the conveyance. In return, the city will either lease or sell certain lands that Nevada Copper requires for the development of its mine complex. Nevada Copper will also work with the city to extend water and sewer services beyond those needed for the Pumpkin Hollow mine. The city's plans envision an area where transportation, power, and water infrastructure installed for the mine will benefit other industrial and commercial users and facilitate the development of cultural and recreational areas for the benefit of Yerington.

### **H.R. 696**

H.R. 696 (Section 2) requires the Secretary of the Interior to convey to the city of Yerington for fair market value approximately 11,500 acres of BLM-managed land and the underlying mineral estate - if the city agrees to the conveyance. The Secretary would establish the value of the land and the mineral estate in accordance with the Federal Land Policy and Management Act and uniform appraisal standards. A map of the transfer area would be made available for public inspection, and the city will be responsible for the costs of the transfer in addition to the fair market value of the land and resources.

The BLM would like to work with the sponsors and the committee on possible changes to the bill and to clarify certain issues.

The bill's 180-day time period for conveyance does not allow time to perform complete reviews and consultation with parties under the National Environmental Policy Act and the National Historic Preservation Act. These reviews are valuable for many reasons, not the least of which is that the NEPA process allows for public participation and comment. To its credit, the city has moved ahead and already sought and been granted permission to perform cultural survey work on the area. The preliminary findings of this survey indicate that there are sites in the conveyance area that may be eligible for inclusion in the National Register of Historic Properties. These include old mine complexes and sites associated with the early development of Yerington, and heritage properties of concern to local tribes. Resolution of adverse effects, or an agreement for the resolution or preservation, should be addressed before the sites pass from Federal ownership.

Additionally, the bill's 180-day time period for conveyance does not allow sufficient time to conduct appraisals to establish the fair market value of the surface and mineral estates. A mineral report would need to be completed for the area before an appraisal of the mineral estate could be conducted.

The area's longstanding relationship to mining poses two other challenges not taken into account in the bill. The area includes numerous other mining claims, besides those of Nevada Copper, and those claims may represent valid existing rights. For this reason, the BLM generally does not convey lands with mining claims. H.R. 696 leaves open the question of who would administer these other mining claims, which by default leaves the responsibility to the BLM to conduct validity exams and resolve other issues such as site remediation. According to the city, one of the stated goals of this bill is to "expedite near term and long term development of mining facilities." If the BLM manages these claims but not the surrounding surface rights, conflicts may occur that would hobble this goal of expedited development.

The area's mining legacy poses a second and potentially dangerous situation. The Nevada Division of Minerals has identified 147 abandoned mine hazards on the public lands to be conveyed to the city. The BLM has concerns about attracting the public to the area with recreational and economic development without these sites being secured. At a minimum, the United States government should be indemnified from any future liabilities arising from these

sites. In addition, there are a few technical changes the BLM suggests for the bill on such matters as boundary irregularities and references to a utility right of way.

**Conclusion**

Thank you again for the opportunity to testify on H.R. 696. This legislation is important to the people of this area, and the BLM looks forward to working with the sponsor and the committee. I would be glad to answer your questions.